

## **Human Resources Bulletin 99-09**

### Federal Employees' Group Life Insurance (FEGLI) 1999 Open Season

HR Bulletins 99-05 and 99-06 provided information on the Federal Employees' Group Life Insurance (FEGLI) 1999 Open Season. Since those Bulletins were published, the Office of Personnel Management (OPM) has made changes in the life insurance program. As a result, you may find inconsistencies in these earlier HR Bulletins and the information in the Open Season materials you are reviewing. The following is an explanation of OPM's changes.

Election of Unreduced Options B and C. Earlier HR Bulletins stated that when employees retire or become compensationers (injured individuals receiving compensation from the Office of Workers' Compensation), they must elect either Full Reduction for all of their multiples of Option B and C or No Reduction for all of their multiples. Further, retiring employees could not elect to have some multiples reduce over time and others not reduce. With Full Reduction, each multiple reduces 2% per month beginning with the 2<sup>nd</sup> month after the annuitant's 65<sup>th</sup> birthday. The reduction continues for 50 months, at which time the insurance stops. Also, an annuitant choosing Full Reduction could not change to No Reduction more than 30 days after receiving the first regular annuity check.

OPM's new information indicates that at the time of retirement or becoming a compensationer, employees will elect how many of their Option B and C multiples they wish to continue into retirement (if the employee has assigned their insurance, they cannot reduce the number of multiples of Option B coverage). If an employee chooses to continue fewer multiples than they are eligible to continue, those multiples that are not continued are considered cancelled and there is no 31 day extension of coverage or right to convert. Employees do not need to complete an SF 2817 to reduce the number of multiples at retirement. In addition to choosing the number of multiples, retiring employees and compensationers will also choose whether to have all these multiples reduce, or none of them reduce. If an employee does not make an election, they will automatically continue all multiples for which they are eligible and will get Full Reduction for all multiples.

An annuitant or compensationer who elects No Reduction can change to Full Reduction at any time (unless the insurance has been assigned). If the individual is over age 65, the amount of insurance in force will be computed as if they had elected Full Reduction originally. There will be no refund of premiums. An annuitant who elects Full Reduction can change to No Reduction at any time up until the 2<sup>nd</sup> month following their 65<sup>th</sup> birthday. However, once an annuity check has been issued for which no premiums have been withheld for the Full Reduction multiples, the election cannot be changed from Full Reduction to No Reduction. As with the initial election, these changes apply to all multiples up until the age of 65, i.e. the person can change to No Reduction or Full Reduction for all multiples.

Canceling a multiple causes that coverage (and the premiums) to stop right away. If the annuitant becomes re-employed, they cannot get that coverage back unless there has been a break in service of at least 180 days. If an annuitant dies after canceling a multiple, no benefits will be paid for

that multiple. Changing to Full Reduction also causes the coverage to stop, but gradually, 2% per month. This reduction does not begin until the second month after the age of 65. If an annuitant dies after changing a multiple to Full Reduction, benefits will be paid on whatever amount of that multiple is left at the time of death.

Some of the premiums quoted in earlier HR Bulletins have changed. Option B premiums for those over age 64 and Option C for those over age 64 for 1999 have changed. Please refer to your FEGLI program booklet for the new premiums. Option B premiums for persons over age 64 will be the same as those for persons age 60-64. OPM will notify us at a later date if there are premium changes in future years. Premiums for the new age bands for Option C are being delayed for a year. They will go into effect the first pay period beginning on or after April 24, 2000.

The price of the extra premiums for those who elect 50% Reduction or No Reduction at retirement changed as of 24 April 99. The monthly amounts for these Basic insurance elections have increased from \$.052 to \$0.59 per \$1,000 for 50% Reduction and from \$1.69 to \$2.04 per \$1,000 for No Reduction. These are in addition to the "regular" premium for Basic insurance. The regular premium for Basic insurance stops when an annuitant or compensationner reaches age 65; only these extra premiums continue.

#### Rights and Benefits for Federal Employees Who Perform Active Military Duty Under Operation Allied Force

Pursuant to Section 12304 of Title 10, USC and Executive Order 13129, 27 Apr 99, the Secretary of Defense has delegated authority to the Secretaries of the Military Departments to call selected Reserve Units and individual members not assigned to units to active duty for a period of up to 270 days.

The Federal Sector, as the largest single employer of Armed Forces Reserve members, is responsible for assuring that those colleagues who perform active duty are able to leave their employment temporarily with the knowledge that their affairs are in order and their rights protected. Federal law provides many important rights and benefits for Federal employees who perform active military duty. An overview of these, as required by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), is provided on the OPM internet site and can be found at <http://www.opm.gov/oca/compmemo/1999/KOSATT1.HTM>

Also, an overview of Agency authority and obligation to provide certain premium pay benefits to civilian employees who perform emergency work in support of Operation Allied Force is also provided and can be found at <http://www.opm.gov/oca/compmemo/1999/KOSATT2.HTM>

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